

Message

From: Sunny Balwani [/O=THERANOS ORGANIZATION/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=SBALWANI]
Sent: 12/13/2014 1:50:09 AM
To: Elizabeth Holmes [eholmes@theranos.com]; Danise Yam [dyam@theranos.com]
Subject: RE: deferred revenue balance

W 100

S 55

Wy 5

CBC 5

Celgene 3

From: Elizabeth Holmes
Sent: Friday, December 12, 2014 5:49 PM
To: Danise Yam; Sunny Balwani
Subject: RE: deferred revenue balance

Can you send the breakdown of the 168M

From: Danise Yam
Sent: Friday, December 12, 2014 5:46 PM
To: Sunny Balwani; Elizabeth Holmes
Subject: RE: deferred revenue balance

Hi Sunny,

Please kindly provide more details for Celgene. According to the contract, we recognize revenue upon shipment of analytes/cartridges, unless it was amended subsequently.

Thanks,

Danise

From: Sunny Balwani
Sent: Friday, December 12, 2014 5:38 PM
To: Danise Yam; Elizabeth Holmes
Subject: RE: deferred revenue balance

Celgene should be recognized in 2013 for sure. keep 165 as deferred for 2013 but in 2014, we will recognize atleast 100 of it...

From: Danise Yam
Sent: Friday, December 12, 2014 3:17 PM
To: Elizabeth Holmes; Sunny Balwani
Subject: deferred revenue balance

After adding back \$50M, the deferred revenue is \$168M, including the additional \$25M from Safeway that we could bill. The actual deferred revenue is \$143M, including \$3M from Celgene.

We should also determine if any of the Celgene contract can be recognized. The book does not reflect any because it was determined that revenue would be recognized based on analytes shipped (not a choice but based on accounting literature).

Thanks!

Danise Yam
Corporate Controller
Theranos, Inc

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